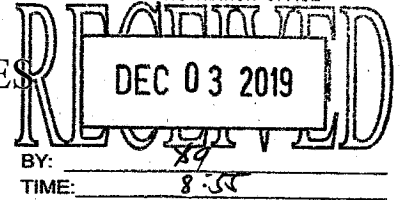




REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila



SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **13 November 2019** which reads as follows:*

“G.R. No. 234425 (Ponciano Alcira, Jr., Julieta Laserna, Norma Habig, Gemeliano Batain, Lamberto Camcaman, et al. vs. Victor R. Peña, et al.). — This Petition for Review filed by the petitioners under Rule 45 of the 1997 Revised Rules of Court seeks to annul and set aside the Decision¹ dated February 15, 2017 of the Court of Appeals (CA) in CA-GR, SP No. 133119 and its Resolution² dated September 18, 2017, denying the petitioners' motion for reconsideration.

The instant case involves a parcel of land registered in the name of Independent Realty Corporation (IRC) consisting of 110.9421 hectares located in Barangay Malitlit, Santa Rosa, Laguna, hereinafter referred to as the IRC Malitlit Estate.

The antecedent facts show that on March 21, 1986, Mr. Jose Y. Campos entered into a compromise agreement with the Presidential Commission on Good Governance (PCGG) for the sequestration of several parcels of land located in Laguna and Cavite. One of these lands is the IRC Malitlit Estate. Because of this, the IRC Malitlit Estate was subjected to agrarian reform and was turned over to the then Ministry of Agrarian Reform (now Department of Agrarian Reform [DAR]) for distribution to qualified farmer beneficiaries who are former employees of IRC. Thereafter, the Ministry of Agrarian Reform issued Certificates of Land Ownership Award (CLOAs) to seventy-two (72) qualified farmer beneficiaries (respondents), to the exclusion of Ponciano Alcira, Jr., Julieta Laserna, Norma Habig, Gemeliano Batain, Lamberto Camcaman, et al. (petitioners) who are also members of IRC Farmer Workers Association, Inc.³

¹ Penned by Associate Justice Myra V. Garcia-Fernandez with Associate Justices Rosmari D. Carandang (now a Member of this Court) and Mario V. Lopez concurring; *rollo*, pp. 230-244.

² Id. at 254-258.

³ Id. at 231-232.

[Handwritten signature]

On March 19, 1990, respondents, represented by Victor Peña (Peña), filed with the Office of the Secretary of DAR an application for the conversion of the IRC Malitlit Estate to industrial land. However, this was denied by the DAR Secretary on the ground that at the time of the application, majority of the farmer beneficiaries were not yet owners of the land.⁴

On appeal to the Office of the President (OP), the latter remanded the case to the DAR and was treated as a motion for reconsideration.⁵

On April 3, 1995, petitioners, represented by Jaime Lozada, opposed the application for conversion by filing a complaint-in-intervention. They claimed that they are also qualified beneficiaries of the IRC Malitlit Estate, and that per Order dated August 20, 1992 of the Office of the Provincial Reform Adjudicator for Pila, Laguna, and the Memorandum dated December 7, 1992 issued by the DAR Secretary, they are entitled to the payment of disturbance compensation.⁶

Subsequently, on November 20, 1996, petitioners entered into an Escrow Agreement with the representatives of the respondents whereby the latter undertook to pay them 100 Million Pesos⁷ to be deposited in an escrow account with the Philippine National Bank – Hongkong Branch. Thereafter, petitioners executed a “PAHAYAG (Ng Pagtalikod sa Karapatan at Pag-Uurong ng Demanda)”⁸ thereby signifying their conformity with the application for conversion and waiving their rights over the IRC Malitlit Estate.⁹

On January 18, 2001, DAR Secretary Horacio R. Morales, Jr. granted the respondents' application for conversion *via* DARCO Conversion Order No. 040327015-(029)-97, Series of 2001¹⁰ (DARCO Conversion Order No. 040327015-(029)-97), subject to certain conditions, to wit:

- 1) Farmers or farmworkers affected by the conversion, or those with legal interest in the subject properties, shall be paid disturbance compensation by the applicant as agreed between them or as determined by DARAB after proper proceedings in accordance with existing laws and regulations. No development or displacement of farmer-beneficiaries shall be undertaken in the landholdings unless disturbance compensation is paid and proof thereof is submitted to this Office within 15 days from payment;
- 2) Environment Compliance Certificate (ECC) shall be secured by the applicant in accordance with existing laws and regulations before

⁴ Id. at 232.

⁵ Id.

⁶ Id.

⁷ Id. at 257-258.

⁸ Id. at 65-76.

⁹ Id. at 232-233.

¹⁰ Id. at 178-198.

undertaking any development activity therein, and copy thereof is submitted to this Office;

3) Development of the area and implementation of the project shall be completed within five (5) years and furnishing this Office proof of payment of disturbance compensation and copy of the ECC;

4) Notice of conversion shall be posted in a conspicuous place of the project area with a minimum size of 1mx2m stating the name of the project and area, the name of the developer and landowner, the date when the development permit was granted, the issuance of this conversion order, its approving authority, and date of issuance;

5) The DAR reserves the right to cancel or revoke this Order for misrepresentation of facts material to its issuance and/or for violation of pertinent rules and regulations.¹¹

Neither the respondents nor the petitioners filed an appeal to assail the DARCO Conversion Order No. 040327015-(029)-97.

Subsequently, on September 6, 2006, another group led by Garciano G. Paltera (Paltera) filed a petition for partial revocation of DARCO Conversion Order No. 040327015-(029)-97, Series of 2001, involving thirteen (13) hectares out of the approved total area of 110.9421 hectares.¹²

However, on November 13, 2006, another notarized letter and "Sinumpaang Salaysay" written in Filipino dialect and signed by all the oppositors was received by the DAR Center for Land Use Policy, Planning and Implementation [CLUPPI] Secretariat. It states that:

1. x x x
2. x x x
3. Pagkatapos naming isampa ang Petisyon ay aming sinuring mabuti ang mga inilahad namin sa Petisyon at napag-isipan naming na bawijn ang Petisyon dahil kami ay wala ng interes o intensiyon na ipagpatuloy ito at dinedeklara naming wala kaming karapatan sa lupa at kusang-loob naming tinatalikuran at sinusuko kung ano man ang karapatan namin sa nasabing lupa.
4. Sa pamamagitan nito ay malaya naming iniuurong at binabawi ang nasabing Petisyon."¹³

Hence, in a meeting conducted on December 5, 2006, the Committee recommended the dismissal of the Motion for Partial Revocation of DARCO Conversion Order No. 040327015-(029)-97, Series of 2001, filed by the group led by Paltera in view of the November 13, 2006 letter which they also signed signifying their waiver and withdrawal.¹⁴

¹¹ Id. at 196-197.

¹² Id. at 80.

¹³ Id. at 81.

¹⁴ Id.

Meanwhile, on January 12, 2007, petitioners requested for a certification on whether respondents have complied with the conditions stipulated in DARCO Conversion Order No. 040327015-(029)-97, particularly the payment of disturbance compensation.¹⁵

On October 9, 2007, petitioners filed a manifestation with motion to require private respondent Peña and/or counsel to appear for conference alleging that petitioners have not been paid their disturbance compensation. Thereafter, they sent a letter request to DAR asking to stop Eton City from further developing the IRC Malitlit Estate.¹⁶

In March 2008, seven (7) years after the date of issuance of DARCO Conversion Order No. 040327015-(029)-97, Atty. Eladio S. Pasamba (Atty. Pasamba), counsel for the successors-in-interests of herein respondents, sent a letter to DAR requesting for the amendment of DARCO Conversion Order No. 040327015-(029)-97. Said letter stated therein their request to change the land use of the IRC Malitlit Estate from industrial to mixed use of light industrial, commercial and residential use. Same letter likewise requested for the deletion of the payment of disturbance compensation as part of the condition for the grant of conversion order and to extend the five-year period within which to develop the properties.¹⁷

This was granted by the DAR on April 14, 2008 in its DARCO Order No. CON-0804-142, Series of 2008¹⁸ (DARCO Order No. CON-0804-142). It disposed:

WHEREFORE, premises considered, the request dated 22 January 2008, for the Change of Land Use from the approved industrial to mixed use of light industrial, commercial and residential use; deletion of the payment of disturbance compensation as part of the condition for the grant of conversion order; and the extension of the five (5)-year period within which to develop the properties filed by the Applicants, Victor Peña, representative of 72 Farmer-Beneficiaries, through Mr. Eladio S. Pasamba, involving an area of 110.9421 hectares of land, located in Barangay Malitlit, Sta. Rosa, Laguna, is hereby granted, subject to payment of disturbance compensation and to the following conditions:

- The authorized/approved use which is industrial to mixed use of light industrial, commercial and residential use residential (sic) shall be annotated on the title of the properties within sixty (60) days from the date of receipt by the Applicants of this Order, proof of such annotation to be copy furnished the CLUPPI Secretariat within five (5) days from the expiration of the aforementioned 60- day period Conversion of the subject properties to any other uses shall not be allowed unless with prior approval of the DAR;

¹⁵ Rollo, p. 234.

¹⁶ Id.

¹⁷ Id. at 234-235.

¹⁸ Id. at 79-89.

- The development of the area approved for conversion shall be completed within five (5) years from such date of receipt by the Applicants of this Order;
- The performance bond shall be posted within five (5) days from the date of receipt by the Applicants of this Order pursuant to Section 15 of the DAR Administrative Order No. 1, Series of 2002. Failure to develop the area within the stipulated period in this Order shall result in the forfeiture of the performance bond in favor of the DAR and the cancellation of this Order;
- The Applicants shall allow duly authorized representatives of the DAR free and unhampered access to the subject properties for the purpose of monitoring compliance with the terms and conditions hereof; and
- The DAR reserves the right to cancel or withdraw this Order for misrepresentation of facts integral to its assurance and/or for violation of the law and applicable rules and regulations on land use conversion.

SO ORDERED.¹⁹

Aggrieved, petitioners moved for reconsideration²⁰ of the aforesaid Order arguing that the payment of compensation order as one of the conditions set forth in DARCO Conversion Order No. 040327015-(029)-97 cannot be deleted without giving the petitioners proper notice. They further argued that by virtue of DARCO Conversion Order No. 040327015-(029)-97, they already acquired vested interest over the payment of disturbance compensation. Petitioners also pointed out that by the time Atty. Pasamba sent the letter-request for the amendment of the conversion order in 2008, DARCO Conversion Order No. 040327015-(029)-97 had already attained finality hence, can no longer be disturbed.

For their part, respondents argued that petitioners are not real parties in interest in the case because while they were declared as qualified beneficiaries, they, however, did not pursue their rights as potential beneficiaries hence, were not awarded any part of the IRC Malitlit Estate nor were granted CLOAs. Respondents further posited that by virtue of the waiver executed by the petitioners in 1997, they already lost whatever claims or rights that they may have over the IRC Malitlit Estate hence, they are neither agricultural lessees, tenants nor farmworkers affected by the conversion order.²¹

On December 12, 2008, the DAR Secretary issued DARCO Order No. MS (MR) 0812-563, Series of 2008,²² denying petitioners' motion for reconsideration and application for cease and desist order on the ground that not only were they not awarded CLOAs over the subject property, they also

¹⁹ Id. at 87-88.

²⁰ Id. at 90-102-B.

²¹ Id. at 237.

²² Id. at 103-111.

waived whatever rights they had over the same when they executed the "PAHAYAG ng Pagtalikod sa Karapatan at Pag-uurong ng Demanda"²³ in 1997. The DAR Secretary also stated that the issue of payment of disturbance compensation should be brought before the Department of Agrarian Reform Adjudication Board (DARAB) and not to his office.

Undaunted, petitioners elevated their case to the OP. However, their appeal²⁴ was dismissed by the OP in its Decision²⁵ of April 24, 2012, thus:

WHEREFORE, the appeal is **DISMISSED** for lack of merit and the Orders appealed from are **AFFIRMED** *in toto*.

SO ORDERED.²⁶ (Emphasis in the original)

With their subsequent motion²⁷ for reconsideration having been denied²⁸ by the OP, petitioners then went to the CA. However, seeing that DARCO Conversion Order No. 040327015-(029)-97, Series of 2001, already became final and executory, the CA ruled that it was erroneous on the part of the DAR and the OP to entertain the subsequent actions or requests filed by both Atty. Pasamba and the petitioners. Hence, the issue of whether petitioners are to be paid disturbance compensation can no longer be entertained, apart from the fact that the same issue does not fall within the ambit of the DAR. The decretal portion of the February 15, 2017 CA Decision²⁹ reads:

WHEREFORE, the petition for review is **GRANTED**. The [D]ecision dated April 24, 2012 and [R]esolution dated November 7, 2013 of the Office of the President in O.P. Case No. 09-B-058, which affirmed DARCO Order No. CON-0804-142, Series of 2008, dated April 14, 2008 and DARCO Order No. MS (MR) 0812-563, Series of 2008, dated December 12, 2008 of the Department of Agrarian Reform, are **REVERSED and SET ASIDE**. DARCO Conversion Order No. 040327015-(029)-97, Series of 2001 is **REINSTATED**.

SO ORDERED.³⁰ (Emphasis in the original)

Still unsatisfied by the aforesaid decision, petitioners moved for its reconsideration.³¹ However, this was denied by the CA in its Resolution³² of September 18, 2017, to wit:

WHEREFORE, the motion for reconsideration is **DENIED**. The

²³ Id. at 65-76.

²⁴ Id. at 112-140.

²⁵ Id. at 166.

²⁶ Id.

²⁷ Id. at 167-173.

²⁸ Id. at 174-177.

²⁹ Id. at 230-244.

³⁰ Id. at 243.

³¹ Id. at 245-252.

³² Id. at 254-258.

amount "One Hundred Thousand Pesos ([P]100,000.00) on page 5 of the [D]ecision is CORRECTED to read as "One Hundred Million Pesos ([P]100,000,000.00)".

SO ORDERED.³³

Hence, petitioners are now before the Court *via* this petition for review assailing the decision and resolution of the CA arguing still that that they are entitled to disturbance compensation. Likewise, they allege that the conversion of Malitlit Estate was illegal and void *ab initio* as the petition for conversion was filed by the respondents within the five-year prohibitory period³⁴ and that the subject lands had already been sold by the farmer-beneficiaries even prior to the issuance of conversion order.³⁵

Ruling of the Court

Petitioners' asseverations do not hold merit.

First, it is a fundamental legal principle that a decision that has acquired finality becomes immutable and all the issues between the parties are deemed resolved and laid to rest,³⁶ even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the highest court of the land.³⁷

Here, DARCO Conversion Order No. 040327015-(029)-97 was rendered in 2001 and neither parties appealed therefrom except in 2008, when respondents wanted to modify the conditions set forth therein. Clearly, DARCO Conversion Order No. 040327015-(029)-97, already acquired finality hence, may no longer be disturbed. Indeed, once a judgment becomes final, all the issues between the parties are deemed resolved and laid to rest.³⁸ The decision of the labor arbiter has accordingly become final and executory, hence immutable no matter how erroneous it may be.

The case of *One Shipping Corp., et al. v. Penafiel*³⁹ held that:

A definitive final judgment, however erroneous, is no longer subject to change or revision.

A decision that has acquired finality becomes immutable and unalterable. This quality of immutability precludes the modification of a final judgment, even if the modification is meant to correct erroneous conclusions of fact and law. And this postulate holds true whether the modification is made by the court that rendered into or by the highest

³³ Id. at 258.

³⁴ Id. at 60.

³⁵ Id. at 22.

³⁶ *Landbank of the Philippines v. Listana*, 670 Phil. 190, 208 (2011).

³⁷ Id. at 208-209.

³⁸ *Sps. Gatchalian v. Court of Appeals*, 479 Phil. 607, 615 (2004).

³⁹ 751 Phil. 204 (2015).

court in the land.⁴⁰

Second, the allegation raised by the petitioners that DARCO Conversion Order No. 040327015-(029)-97 did not attain finality for being an invalid Order as the respondents filed the petition for conversion within the five-year prohibitory period and that the subject lands had already been sold by the farmer-beneficiaries even prior to the issuance of conversion order, is not worthy of merit.

In *Ayala Land, Inc., et al. v. Castillo, et al.*,⁴¹ it states that:

It is well established that issues not raised in the proceedings in the lower court or tribunal and only raised for the first time on appeal are barred by estoppel. Thus, points of law, theories, issues and arguments not brought to the attention of the trial court ought not be considered by a reviewing court as these cannot be raised for the first time on appeal.⁴²

Third, anent the issue of disturbance compensation, the Court agrees with the CA that it is the DARAB which has the jurisdiction on issues of disturbance compensation. Hence, whatever claims the petitioners may have regarding the matter should have been brought before the proper forum.

The 1994 DARAB Rules of Procedure provides:

RULE II

JURISDICTION OF THE ADJUDICATION BOARD

SECTION 1. *Primary and Exclusive Original and Appellate Jurisdiction.*
The Board shall have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under Republic Act No. 6657, Executive Order Nos. 228, and 129-A, Republic Act No. 3844 as amended by Republic Act No. 6389, Presidential Decree No. 27 and other agrarian laws and their implementing rules and regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

- a) The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation and use of all agricultural lands covered by the CARP and other agrarian laws;
- b) The valuation of land, and the preliminary determination and payment of just compensation, fixing and collection of lease rentals, disturbance compensation, amortization payments, and similar disputes concerning the functions of the Land Bank of the Philippines (LBP);

⁴⁰ Id. at 211, citing *Mocorro, Jr. v. Ramirez*, 582 Phil. 357, 366 (2008).
⁴¹ 667 Phil. 274 (2011).

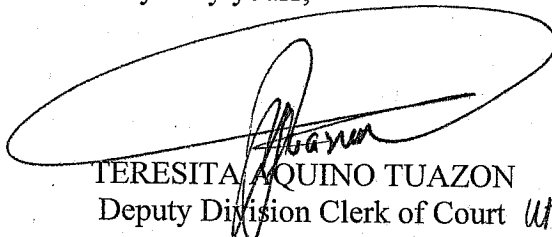
⁴² Id. at 297.

x x x x

WHEREFORE, premises considered, the petition is hereby **DENIED**. The Decision dated February 15, 2017 and the Resolution dated September 18, 2017 of the Court of Appeals in CA-G.R. SP No. 133119 are **AFFIRMED**.

SO ORDERED." (Inting, J., on official leave; Zalameda, J., additional Member per S.O. No. 2727, dated October 25, 2019) (adv 114)

Very truly yours,



TERESITA AQUINO TUAZON
Deputy Division Clerk of Court *whh 11/26*
26 NOV 2019

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